

14th ANNUAL REPORT 2011



Contents

Financial Highlights.....	2
Notice.....	3
Directors' Report.....	7
Management Discussion and Analysis.....	11
Corporate Governance Report.....	13
Auditors' Report.....	27
Balance Sheet.....	30
Profit & Loss Account.....	31
Schedule to Accounts.....	32
Cash Flow Statement.....	47
Balance Sheet Abstract.....	49
Consolidated Accounts.....	51

CORPORATE INFORMATION

Chairman

Shri Prashant Jhawar

Vice-Chairman

Shri Rajeev Jhawar

Directors

Sir Stephen Harry Waley Cohen Bt.

Shri Subrata Kumar Mitra

Shri Rameshwar Pal Agrawal

Dr. Saugata Banerjee

Shri Shiva Kumar Barasia

Shri Trivikram Khaitan

Shri Rahul Choudhary

Shri Debjit Bhattacharya - Whole-time Director

Company Secretary

Dr. R. N. Chakraborty

Bankers

IDBI Bank Ltd.

The Hongkong & Shanghai Banking Corp Ltd

IndusInd Bank Ltd

ICICI Bank Ltd

Axis Bank Ltd.

Auditors

S. Swarup & Co.

21, Hemanta Basu Sarani, 3rd Floor,

Room No. 303, Kolkata - 700 001

Registered Office

Mangal Kalash

2A, Shakespeare Sarani, Kolkata – 700 071

Phone : 033-3980 0300, Fax : 033-3980 0400

E-mail : investors@umitl.co.in

Website : www.umesl.co.in

Corporate Office

PS Srijan Techpark, 4th Floor, DN - 52,

Sector-V, Salt Lake City, Kolkata - 700 091

Tel.: +91 33 4013 4700, Fax: +91 33 4013 4800

E-mail : contact@umitl.co.in

Registrar and Transfer Agent

MCS Limited

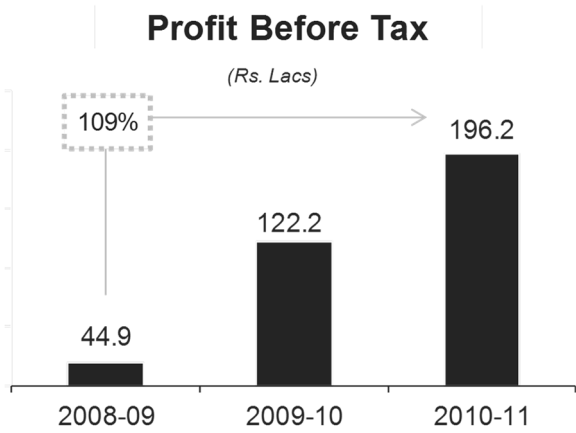
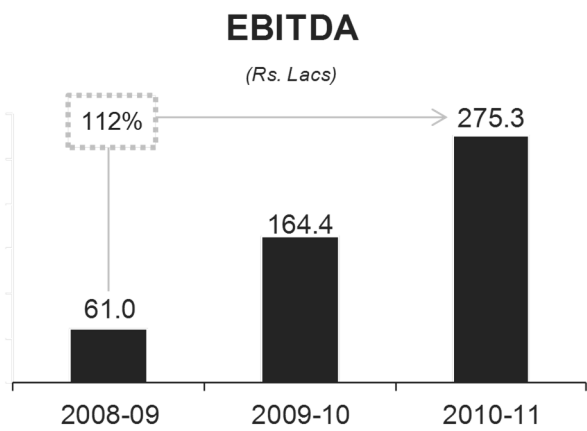
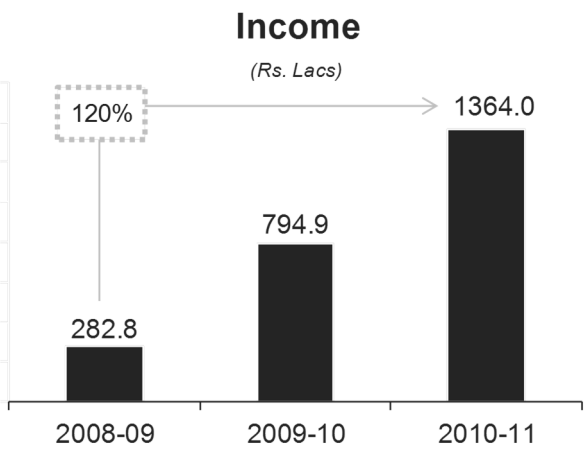
77/2A, Hazra Road, Kolkata – 700 029

Ph. : 033 2454 1892-93, Fax : 033 2454-1961

E-mail : mcskol@rediffmail.com

Website : www.mcsdel.com

1 Financial Highlights



 CAGR in % (2008-09 to 2010-11)

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 14th Annual General Meeting of the members of Usha Martin Education & Solutions Limited will be held on Thursday, the 28th day of July, 2011 at 2.30 P.M. at "Sripati Singhania Hall", Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata – 700 020 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a director in place of Shri Rajeev Jhawar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Sir Stephen Harry Waley Cohen Bt. who retires by rotation and being eligible offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956 and Article 146 of the Articles of Association of the Company, M/s. S.Swarup & Co., Chartered Accountants, be and are hereby reappointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that their remuneration for the said period be determined by the Board of Directors."

Special Business

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 260 of the Companies Act, 1956 and Article 86(a) of the Articles of Association of the Company, Shri Rameshwar Pal Agrawal who was appointed as an Additional Director on the Board of Directors of the Company with effect from 27th January, 2011 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of director, be and is hereby appointed a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER that Dr. R N Chakraborty, Company Secretary of the Company is and be hereby authorized to take all necessary, expedient and effective steps and execute all documents and writings as the case may be for the implementation of the resolution and to do all such acts, deeds, matters and things as he may deem fit and proper for giving effect to above."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and in terms of Article 114 of Articles of Association of the Company, and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time, the Company hereby ratifies the reappointment of Shri Debjit Bhattacharya as the Whole-Time Director of the Company for another period of two years with effect from 1st March, 2011 upon the terms and conditions embodied in the Agreement placed, which agreement is hereby sanctioned with the liberty to the Board of Directors (which term shall be deemed to include the Committee, if any, constituted by the Board of Directors from time to time) to alter and vary, subject to necessary approvals as may be required from time to time, the terms and conditions of the said reappointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Shri Debjit Bhattacharya.

RESOLVED FURTHER that Dr. R. N. Chakraborty, Company Secretary of the Company is and be hereby authorized to take all necessary, expedient and effective steps and execute all documents and writings as the case may be for implementation of the resolution and to do all such acts, deeds, matters and things as he may deem fit and proper for giving effect to the above."

Registered Office :
Mangal Kalash
2A, Shakespeare Sarani,
Kolkata - 700 071
Dated : 11th May, 2011

By Order of the Board of Directors

Dr. R.N. Chakraborty
Company Secretary

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy and, in case of a poll to vote instead of himself and such proxy need not be a member of the Company.
2. Proxy form in order to be effective, must be duly stamped, executed and reach the registered office of the Company not later than 48 hours before the time of commencement of the Meeting.
3. Corporate Members are requested to send to the registered office of the Company a duly certified copy of the board resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Meeting.
4. Members/proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience.
5. The related Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed and form part of this notice.
6. The Register of Members and the Share Transfer Book of the Company will remain closed from 15th July, 2011 to 28th July, 2011 (both days inclusive).
7. Members are requested to intimate to the Company queries, if any, on the Accounts at least 10 days before the meeting to enable the management to keep the required information available at the meeting.
8. Members holding shares in physical form are requested to advise any change in their registered address, transfer of equity shares and allied matters to the Company's Registrar and Transfer Agent, MCS Limited quoting their folio number. Members holding shares in electronic form must send the advice about change in their registered address or bank particulars, transfer of equity shares and allied matters to their respective Depository Participant and not to the Company.
9. In all correspondence with the Company or with its Share Transfer Agent, members are requested to quote their folio number and in case the shares are held in the dematerialised form, they must quote their Client ID Number and their DPID Number.
10. As per the Circular no. 17/2011 dated 21st April, 2011 issued by Ministry of Corporate Affairs, members are requested to register their email address either with the Registrar and Transfer Agents of the Company, i.e., MCS Ltd or with their Depositories for electronic communication. An Email Registration form is enclosed which may be filled and sent to the Registrar and Transfer Agent.
11. Equity shares of the Company are under compulsory Demat trading by all investors. Those members, who have not dematerialized their shares, are advised to dematerialize their shareholding, to avoid inconvenience in future.
12. Members who are holding equity shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agent, MCS Limited to enable the Company to consolidate their shareholding in one folio.
13. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company from 10 AM to 12 Noon on all working days until the date of Meeting or any adjournment(s) thereof.

14. Members are requested to bring with them their copy of Annual Report to the Meeting.

15. Appointment/Reappointment of Directors:

Shri Rajeev Jhawar, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for reappointment.

Sir Stephen Harry Waley Cohen Bt., Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for reappointment.

The information/details to be provided under Clause 49 of the Equity Listing Agreement on Corporate Governance for the appointment/reappointment of Directors for the aforesaid directors are as under:

Name of Director	Shri Rajeev Jhawar	Sir Stephen Harry Waley Cohen Bt.
Date of Birth	11/11/1964	22/06/1946
Date of Appointment	04/03/2000	30/06/2008
Qualification	B.Com, Management Development Courses at London Businesses School	M.A. from Magdalene College, Cambridge, Honorary Doctorate from Ben Gurion University, Israel
Expertise in specific functional areas	Management of conglomerates	Management, finance and marketing sector
List of outside Directorship held excluding Alternate Directorship and Private companies	Usha Martin Limited, Usha Martin Finance Limited, Usha Breco Limited, Usha Breco Realty Limited, KGVK Rural Enterprises Limited, Neutral Publishing House Ltd, Guftav Wolf Specialty Cords Limited, Usha Martin International Limited, UK, Usha Siam Steel Industries Limited, Brunton Shaw UK Limited, Usha Martin U.K. Limited, Brunton Wolf Wire Rope Fzc, Usha Communication Technology BVI and EMMC Ltd. UK	Badgworthy Land Company Ltd, D & S Management Ltd, Honeymead Enterprises Limited, Love Story the Musical Limited, Love Story Production Limited, Mousetrap Production Limited, S M Theatre Limited, Theatre Investment Fund Limited, Theatre Management Limited, Victoria Palace Theatre and West End Theatre Managers Limited. (All the above being Companies incorporated outside India)
Chairman/Member of the Committee of the Board of Directors of the Company	Shareholder & Investors Grievance Committee (Chairman) Remuneration Committee (Member)	Remuneration Committee (Chairman)
Chairman/Member of the Committee of the Board of Directors of other companies		
a. Audit committee	Nil	Nil
b. Share Transfer Committee	Usha Martin Limited	Nil
c. Investor Grievance Committee	Usha Martin Limited	Nil

Explanatory statement under Section 173(2) of the Companies Act, 1956, for Item no. 5 and 6 of the accompanying Notice is as under:

Item no. 5

As per the provisions of Section 260 of the Companies Act, 1956, and Article 86(a) of the Articles of Association of the Company, Shri Rameshwar Pal Agrawal was appointed as an Additional Director on the Board of Directors of the Company with effect from 27th January, 2011 to hold office up to the date of the forthcoming Annual General Meeting. Shri Rameshwar Pal Agrawal vacates his office at this Annual General Meeting.

Pursuant to Section 257 of the Companies Act, 1956, the Company has received a notice in writing along with requisite deposit proposing his candidature for the office of director, liable to retire by rotation. Further the Company has received consent letter from Shri Rameshwar Pal Agrawal to act as a Director of the Company, if appointed.

As required under the Corporate Governance Code, the brief profile of Shri Rameshwar Pal Agrawal is given below:

Shri Rameshwar Pal Agrawal, aged about 61 years, is a retired IAS officer of 1972 Batch of Andhra Pradesh cadre. He had worked as the Secretary, Department of Higher Education, Ministry of Human Resource Development (MHRD), New Delhi, Joint Secretary [Trade Policy – WTO] in the Commerce Ministry, Government of India, and was a member of India's delegation to WTO's Ministerial Conferences at Seattle and Doha. He was selected as an Expert Panelist by the WTO for its Dispute Settlement Body. Further, he had worked as India's Deputy Chief of Mission at Embassy of India, Brussels accredited to EU, Belgium & Luxembourg during the years 2002 to 2005. He had been the Vice-Chairman & Managing Director of Hyderabad Allwyn Limited and also the Chairman of Allwyn Nissan Ltd. Apart from these, he had held several important positions in the Government of Andhra Pradesh. At present, he is working as the Chairman of the Board of Governors of the IIT Delhi and is also a Member on the Project Approval Board of the National Mission on Education through ICT of the Ministry of Human Resources Department, Government of India.

Shri Rameshwar Pal Agrawal is deemed to be interested in the proposed resolution to the extent of his appointment as a Director. No other Director of the Company is interested in this resolution.

The Board of Directors of your Company is of the opinion that his appointment would be beneficial to the Company and hence recommend the resolution at item no. 5 for your approval.

Item No. 6

Shri Debjit Bhattacharya was reappointed as a Whole-time Director at a meeting of the Board of Directors on 27th January, 2011, to hold office as such with effect from 1st March, 2011 for another period of two years subject to the approval of the members at the ensuing Annual General Meeting of the Company and other necessary approvals, if any.

As required under the Corporate Governance Code, the brief profile of Shri Debjit Bhattacharya is given below:

Shri Debjit Bhattacharya, aged about 44 years, is an Associate Member of Institute of the Cost and Works Accountants of India with more than 15 years of experience. He has vast experience of working in various industry verticals and has been working in IT industry for more than 8 years. Prior to joining the Company, he has served Bonsai Network India Pvt. Ltd., Compaq Computer India Pvt. Ltd., Asiatic Oxygen Ltd and Sunderban Fertilizers Ltd. He has sound knowledge in US GAAP, India GAAP, handling bank and financial institutions and other statutory compliances. He is also a Director on the Board of Usha Martin Education Private Limited, a subsidiary concern of the Company.

Shri Debjit Bhattacharya is deemed to be interested in the proposed resolution to the extent of his reappointment as a Whole-time Director. No other Director of the Company is interested in this resolution.

The Board of Directors of your Company is of the opinion that his reappointment would be beneficial to the Company and hence recommend the resolution at item no. 6 for your approval.

Registered Office:

MangalKalash

2A, Shakespeare Sarani,

Kolkata 700 071

Dated: 11th May, 2011

By Order of the Board of Directors

Dr. R.N. Chakraborty

Company Secretary

DIRECTORS' REPORT THE MEMBERS

Your Directors have pleasure in presenting the 14th Annual Report, together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2011.

Financial Results:

(₹ in '000)

Particulars	Standalone		Consolidated	
	Year ended 31.3.2011	Year ended 31.3.2010	Year ended 31.3.2011	Year ended 31.3.2010
Gross Income	1364,03	794,94	1574,03	794,94
Gross Profit/(loss) before Interest and Depreciation	275,30	164,35	282,20	164,35
Less Interest	6,05	0.00	6,05	0.00
Less Depreciation	73,08	42,17	76,94	42,17
Profit/(loss) for the year	196,17	122,18	199,21	122,18
Less Provision for Tax (Net)	39,10	20,76	39,71	20,76
Profit/(loss) After Tax	157,07	101,42	159,50	101,42
Profit/ (loss) brought from Previous Year	—	—	—	—
Amount Available for Appropriation	157,07	101,42	159,50	101,42
Dividend	—	—	—	—
Transfer (to)/from Reserves and Surplus	(157,07)	(101,42)	(159,50)	(101,42)
Balance Carried to Balance Sheet	—	—	—	—

Financial Review

During the financial year ended 31st March 2011, your Company recorded standalone revenue of ₹ 13.64 Crore, which on a year-on-year comparison is approximately 72% increase. Consolidated revenue for the current financial year is 98% increase over last financial year. Standalone profit after tax of ₹ 1.57 Crore is an increase of approximately 55% (year on year), whereas Consolidated profit after tax stood at ₹ 1.59 Crore, which is 57% increase on year on year basis. Ratio analysis and future outlook of the Company has been included in Management Discussion and Analysis section.

Dividend

Your Directors do not recommend any dividend for the current financial year.

Subsidiary

The Company has a wholly-owned non-material Indian subsidiary under the name and style of Usha Martin Education Private Limited. The said subsidiary is instrumental in catering to education segment. The company has obtained exemption from annexing accounts and other documents pertaining to subsidiary, under Section 212(8), vide approval from Ministry of Corporate Affairs, Government of India, vide their letter no. 47/07/2011-CL-III dated 20th January 2011.

The financial statements of the subsidiary company and other detailed information will be made available to the members seeking such information at any point of time. The annual accounts of the subsidiary company will also be available for inspection at the registered office of the company as well as at the registered office of the subsidiary.

Consolidated Financial Statements

The Audited Consolidated Financial Statements based on the Financial Statements received from subsidiary company, as approved by its Board of Directors, have been prepared in accordance with the Accounting Standard 21 (AS-21) – Consolidated Financial Statements as notified under Section 211 (3C) of the Companies Act, 1956 read with Companies

(Accounting Standards) Rules, 2006 as applicable. Further, the Consolidated Financial Statements are also presented in accordance with Clause 41 of the Listing Agreement entered into with the stock exchanges where the shares of the Company are listed.

Group

Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising 'group' as defined under the Monopolies and Restrictive Trade Practices ('MRTP') Act, 1969 are furnished in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Public Deposit

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

Directors

During the year under review Shri Rameshwar Pal Agrawal had been appointed as an Additional Director of the Company with effect from 27th January, 2011. In terms of Section 260 of the Companies Act, 1956, Shri Agrawal shall vacate his office at the ensuing Annual General Meeting. A suitable resolution has been proposed in the Notice of the Annual General Meeting for his appointment.

Shri Rajeev Jhawar and Sir Stephen Harry Waley Cohen Bt. retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Corporate Governance

Your Company recognizes the importance of good Corporate Governance as step for building stakeholders' confidence, improving investor protection and enhancing long-term enterprise value. A detailed report on Corporate Governance is annexed.

During the year under review various committees of Directors were reconstituted. The same has been mentioned in the report on Corporate Governance.

Management Discussion and Analysis

The management discussion and analysis on the operations and financial position of the Company is provided in a separate section forming part of the annual report.

CEO / CFO Certification

The Whole-time Director of the Company has submitted a certificate to the Board as required under Clause 49 of the Listing Agreement for the year ended 31st March 2011.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- (i) That in preparation of the accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a 'going concern' basis.

Auditors

M/s S. Swarup & Co., Chartered Accountants, have communicated their willingness to act as the Auditors of the Company subject to necessary approval at the forthcoming Annual General Meeting under Section 224 (1B) of the Companies Act, 1956 and the Board recommend their appointment.

Human Resources

The Company recognizes the importance and contribution of people in delivering existing business and identifying new business opportunities and is committed to the welfare of its staff by providing a congenial work environment.

The Board of Directors expresses its appreciation for sincere efforts made by the employees of your Company at all levels during the year and their co-operation in maintaining cordial relations.

The particulars required to be furnished under provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are not given as none of the employees of your Company draws a salary of or above ₹ 60 Lakhs per annum or ₹ 5 Lakhs per month or a part thereof.

Energy, Technology and Foreign Exchange Earning and Outgo

The particulars required to be furnished under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

- (i) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- (ii) Foreign Exchange earnings and outgo are as under:

Earnings	₹ 69.73 Lakhs
Outgo	₹ 1.65 Lakhs

Compliance Certificate

A Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

Acknowledgements

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, customers, vendors, bankers, and other business constituents for their support during the year under review. Your Directors also wish to place on records their deep sense of appreciation for the commitment displayed by all employees during the year.

On behalf of the Board of Directors

Place : Kolkata
Dated : 11th May, 2011

Prashant Jhawar Chairman
Debjit Bhattacharya Whole-time Director



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